

RCEP to slash tariffs

OUR SPECIAL CORRESPONDENT

New Delhi: Commerce ministers of 16 RCEP countries, including India and Japan, will hold a crucial meeting in Bangkok next week to take stock of the negotiations for a proposed free trade pact that are in the last phase. The trade pact would result in a cut or an elimination of duties on over 80 per cent of goods imported from China and other Asean nations.

"The fear amongst various sectors such as steel, engineering goods, chemicals, dairy or agriculture is that tariffs on about 28 per cent of the items will have to be brought down to zero immediately when the pact is implemented while the rest of the elimination is to be done in phases. They will hardly have time to adjust to the new challenges that the competition would generate," commerce ministry officials said.

They said India was expected to reduce or eliminate duties on about 74-80 per cent of goods imported from China under the proposed agreement. Bilateral talks are still going on with the neighbouring country, with which

India has a trade deficit of over \$50 billion.

Similarly, India may cut customs duties on 86 per cent of imports from Australia and New Zealand and 90 per cent for products imported from Asean, Japan and South Korea, with which India already has a comprehensive free trade agreement, the officials added.

Some sections of Indian industry have raised concerns over the presence of China in the grouping. Various sectors, including dairy, metals, electronics, and chemicals, have urged the government to not agree on duty cuts in these segments.

The cut or the elimination of these duties could be implemented over a period of 5, 10, 15, 20 and 25 years.

Commerce and industry minister Piyush Goyal will attend the eighth RCEP (Regional Comprehensive Economic Partnership) Ministerial Meeting being held in Bangkok from 10-12 October. The official said that this would probably be the last ministerial-level meeting as only a few issues such the rules of origin are pending for finalisation.